



OFFICE OF FINANCIAL MANAGEMENT

Annual Sustainability Report for Fiscal Year 2005

(as required under Executive Orders 02-03 and 05-01)

Executive Summary

The Office of Financial Management (OFM) continues to make progress in implementing sustainable practices:

- The agency is making strong progress in reducing paper usage and purchasing Environmentally Preferable Paper (EPP), which is 100 percent recycled paper.
- Total driving by OFM employees in FY 2005 was down slightly from the previous fiscal year, but is still 24,526 miles more than FY 2003.
- Energy usage is up slightly at the Point Plaza location. On the other hand, the consolidation of OFM employees in the General Administration Building and the installation of energy-saving lighting are anticipated to save 34,000 KWH annually.
- Greater communication with and education of OFM employees on sustainability is needed.

The table below summarizes OFM's progress.

Area	Goals	Progress to date
Vehicles and Facilities	I. Reduce greenhouse gas emissions by 25 percent from 2003.	Reduced greenhouse gas emissions from vehicles by 1.8 percent or 1.8 tons from 2004. This is up 18 percent or 14 tons from 2003.
	A. Reduce petroleum use 20 percent by 2009.	Petroleum usage in vehicles down 3.4 percent (or 346 gallons).
	B. Purchase of hybrid gas/electric and other fuel efficient/low emission vehicles.	No vehicles replaced.
	C. Replace pre-1996 light duty vehicles w/in 3 years.	All vehicles newer than 1996.
	D. Reduce energy usage by 10 percent from FY 2003	Point Plaza energy usage up 5.5 percent since 2003. Other facilities unavailable.

Toxics	A. Eliminate usage of PBTs and toxics	Continue current practices to purchase flat screen computer monitors and computers in conformance with Western States Computer Purchasing Alliance Standards. No new actions.
Paper	<p>I. Reduce wasteful practices and maximize reuse</p> <p>II. Purchase recycled and remanufactured products whenever practicable</p> <p>A. Reduce office paper usage by 30 percent based on 2003 plans</p> <p>B. Increase percentage of EP paper to >50 percent</p> <p>C. Recycle 100 percent of used office paper</p> <p>D. Increase use of recycled and chlorine free janitorial paper products</p>	<p>Paper usage down 26 percent from 2003.</p> <p>100 percent recycled paper represents 55 percent of paper usage.</p> <p>Recycling occurring at all locations</p> <p>Agency uses 20 percent recycled toilet paper and 60 percent recycled paper towels.</p>
Communication and Education	I. Institutionalize sustainability as an agency value and raise staff awareness about the cumulative impacts of our business activities and the availability of alternatives.	Communication on sustainability through emails. Sustainability-related presentation at the OFM Forum. Tracking our progress through strategic plan updates.

SECTION I: AGENCY INFORMATION, POLICY, AND GOALS

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Sustainability Policy Statement

The Office of Financial Management is dedicated to meeting the values and practices of sustainability described in Executive Orders 02-03 and 05-01. We will take a leadership role in our daily operations and long-term planning to strengthen our business practices to protect and enhance the environment, improve the health of agency employees, model sustainability for medium-sized agencies, and be thoughtful stewards of Washington's resources for future generations.

We aspire to the following long-range goals and have developed a set of biennial objectives designed to move us towards achievement of these goals.

Long-Range Goals (by 2008)

1. Reduce by 25 percent greenhouse gases emitted through facility and vehicle use.
2. Eliminate the purchase of products containing persistent, bioaccumulative toxics (PBTs).
3. Eliminate wasteful practices and maximize the reuse and recycling of all materials and products.
4. Institutionalize sustainability as an agency value.
5. Raise staff awareness about the cumulative impacts of our business activities and the availability of alternatives.
6. Purchase recycled and remanufactured products whenever practicable.
7. Recognize and reward progress and achievements.

SECTION II: REPORTING ON OBJECTIVES

Long-Term Goal #1:

Reduce by 25 percent greenhouse gases emitted through facility and vehicle use.

OFM owns two vehicles and leases one vehicle on a long-term lease with the state motor pool. These vehicles were all manufactured after 1996 so the agency is meeting the requirements of EO 05-01, which asks agencies to replace all light duty vehicles manufactured before 1996 in order to reduce air pollution.

During Fiscal Year 2005, OFM employees drove 206,205 miles in their own personal vehicles or agency-owned or leased vehicles. This is 7,298 miles or 3.4 percent less than the previous fiscal year, but still 30,352 more than in FY 2003¹. While OFM's FTE level remained essentially constant at 273, the average miles driven per employee for the year decreased 30 miles, down to 755 from 785. There was great variability in the change in driving among the divisions. The Policy

¹ OFM employees drove 213,503 miles on state business in FY 2004. This number is 5,239 miles more than reported in the previous update due to revised accounting data.

Office and Budget Division had the greatest reduction in driving, reducing miles driven by 3,934 and 2,207, respectively. Divisions with the largest increase in driving were Risk Management (3,182), Statewide Financial Systems (2,549), and the Salmon Team (1,371).

Employees most often used their personally owned vehicles (POV), rather than the OFM car or motor pool, while driving on state business. The programs with the greatest use of POVs are:

- The Executive Policy Office – 22,134
- Risk Management – 19,109
- Statewide Financial Systems – 13,310
- Labor Relations – 8,474

In reviewing the miles driven by these programs, it may be worthwhile for OFM to investigate the permanent lease of additional vehicles through the state motor pool and to more strongly promote the use of the motor pool. The Salmon Team and the Management and Productivity Unit are the greatest users of the state motor pool.

OFM improved its use of hybrid vehicles by renting hybrids four times and driving a total of 836 miles in FY 2005. This is an improvement from the one rental that occurred in the previous fiscal year. Additional work needs to be done to encourage employees to use hybrid motor pool vehicles rather than their own vehicles. OFM did not purchase any new vehicles in FY 2005.

Compared to FY 2004, accounting for the reduction in total miles driven and the use of hybrids, the agency reduced its output of hydrocarbons by 40 pounds; nitrogen oxides that contribute to smog and toxic air pollution by 21 pounds; and carbon monoxide by 292 pounds. The amount of carbon dioxide, which contributes to global warming, produced by agency vehicle usage went down by 1.8 tons. However, this is still an 18 percent increase in carbon dioxide production from FY 2003.

OFM also reduced its gasoline usage by 346 gallons in FY 2005. Even with these improvements it is estimated that POVs, agency vehicles, and cars rented through the motor pool produced an estimated 1,434 pounds of hydrocarbons and 740 pounds of nitrogen oxides that contribute to smog and toxic air pollution; 11,022 pounds of carbon monoxide; 192,318 pounds or 96 tons of carbon dioxide, which contributes to global warming; and used 9,801 gallons of gasoline.

In addition, the agency continues to operate a Virtual Private Network to allow employees high-speed Internet access to the OFM network at home, enhancing telecommuting opportunities. The agency purchases routers necessary for these connections. Employees also participated in the “Wheels Option” program, which promotes alternatives to driving alone to work.

OFM also consolidated staff from two different locations by moving 34 FTE from disbursed leased space and 18 FTEs from the Insurance Building into leased space in the General Administration (GA) Building². This move will reduce driving of OFM vehicles used for mail delivery by Facilities staff, and reduce other interoffice commutes.

Under EO 05-01, agencies are to achieve a 10 percent reduction in energy usage by 2009 from 2003 levels. OFM is only able to report its energy usage for Point Plaza because the Department of General Administration cannot collect information by agency for the GA or Insurance Buildings.

² Disbursed FTEs included 3.75 from Contracts, 18 from Risk Management and 13 from Labor Relations.

OFM so far has not made progress in reducing electrical usage at the Point Plaza location. In Fiscal Year 2005, OFM's Point Plaza employees used 423,280 KWH of electricity. This is a 1.3 percent increase from the previous year and a 5.5 percent increase from its FY 2003 level. In order to meet the targets in EO 05-01, the agency would need to reduce current usage by 14.7 percent. A concentrated effort will be needed to achieve this goal. Because this is leased space, achieving this level of reduction may be difficult or require savings in other agency facilities.

When moving the 53 employees into the GA building, OFM upgraded the lighting system resulting in an estimated annual savings of 34,000 KWH over the previous lighting in the space³.

Long-Term Goal #2:

Eliminate the purchase of products containing persistent, bioaccumulative toxics (PBTs) and other toxic materials.

Computer and other information technology equipment represent the strongest opportunity for OFM to eliminate the purchase of products containing PBTs and other toxic materials. OFM continues to replace computer monitors with less toxic flat screen versions, and also purchases computers in conformance with the Western States Computer Purchasing Alliance standards.

One barrier experienced by staff in implementing the sustainability plan was the lack of dedicated staff time to research issues, implement solutions and attend training. The complicated nature of product analysis lends itself to a more agency-wide, centralized approach. The Department of General Administration would be an obvious lead for this effort.

Long-Term Goal #3:

Eliminate wasteful practices and maximize the reuse and recycling of all materials and products.

OFM has made good but modest progress towards meeting the goal of eliminating wasteful practices and maximizing the reuse and recycling of materials and products.

Paper Usage

OFM continues to reduce paper usage and is nearly meeting the EO 05-01 goal of reducing paper usage by 30 percent from 2003 levels. In Fiscal Year 2005, the agency purchased a total of 5,361 reams or 2,680,000 pages. This is a savings of 17 percent amounting to 889 reams, or 444,500 pages, from the previous year. This is a 26 percent reduction or 955,000 pages from the FY 2003 base. OFM made dramatic improvements in FY 2005, saving 1,635 pages per employee annually. This is an average of 9,853 pages per employee as opposed to 11,488 pages per employee the previous year.

Janitorial Paper

EO 05-01 directs agencies to report on their usage of janitorial paper. For the year, OFM used 2,160 rolls of toilet paper and 1,776 packages (or 222,000) of individual paper towels. The toilet paper has 20 percent recycled content while the paper towels have 45-65 percent recycled content.

³ Kevin Warner, General Administration, 902-7236.

Other Areas

OFM continued to recycle all its waste office paper, eliminating unnecessary printing by posting documents to the Internet and closely monitoring document usage. OFM is unable to report on the amount of paper recycled by the agency since the Department of General Administration does not collect this information for the Insurance and GA Buildings. LeMay Inc has the contract for recycling at the Point Plaza location. It is estimated that this location recycled 65,000 lbs of paper in the last fiscal year⁴.

OFM does have opportunities for increasing the recycling of cans, glass, batteries, and CDs, such as doing more to provide employees easy access to recycling containers for these materials.

Long-Term Goals #4 and #5:

Institutionalize sustainability as an agency value and raise staff awareness about the cumulative impacts of our business activities and the availability of alternatives.

OFM is making progress in being a more sustainable agency, but we need to do more to institutionalize sustainability and raise staff awareness of the impacts of their business activities.

OFM Strategic Plan

OFM incorporated sustainability efforts into its Strategic Plan for the 2005-07 Biennium by designating sustainability as a key activity in reaching our first goal of “Assist[ing] the Governor in developing and implementing budget and policy initiatives that benefit the people of Washington State.” Sustainability is shown as a key activity in the strategic plan tracking documents.

Including sustainability goals in the strategic plan will help communicate to and educate our employees. It will also help to increase employee participation in sustainability efforts.

Sustainability Team

OFM’s Sustainability Team has not met since completion of the original agency plan last year. Rather, staff have worked in small groups to help achieve the agency’s sustainability goals. It is anticipated that a new sustainability team will be named for FY 2006 and beyond.

Long-Term Goal #6:

Purchase recycled and remanufactured products whenever practicable.

OFM has long purchased 30 percent recycled paper and did not purchase any virgin copy paper in the last year. In order to meet our sustainability objectives, the agency increased its purchase of 100 percent recycled paper in FY 2005. We purchased 2,950 reams of 100 percent recycled paper, a 556 percent, or a 2,500 ream increase from the previous fiscal year. For the year, 55 percent of the paper purchased by OFM is 100 percent recycled content; exceeding the requirement of EO 05-01 to have at least 50 percent of paper purchases be 100 percent recycled content. OFM has committed to purchasing 100 percent recycled content for all 8 ½ x 11 paper used by the agency. Although

⁴ There are 5 paper recycling containers at Pt. Plaza. Each averages 250 lbs when emptied and they are emptied once a week. This results in an estimate of 65,000 lbs for the year. (5 x 250 lbs x 52 weeks)

there is an increased cost for 100 percent recycled paper, we reduced overall paper purchases. Thus, increasing the purchase of 100 percent recycled paper only costs OFM around \$1,900 a year.

OFM currently recycles many of its printer cartridges. It also purchases paper products with some recycled content. Additional analysis and research of alternative products with greater recycled content would help significantly.

Long-Term Goal #7:

Recognize and reward progress and achievements.

Although proposed in its sustainability plan, OFM has not established an annual sustainability award for employees making the greatest contribution to improving agency sustainability. It is hoped that with additional progress on overall sustainability, that this can begin soon.

SECTION III: COMMUNICATION AND EDUCATION

Communications

OFM is in the early stages of communicating to and educating employees on sustainability and sustainable business practices. Updates are provided to the Management Team through the quarterly progress reports on implementation of the Strategic Plan.

Communication with staff has been limited. E-mail has been the primary communication tool. Several emails discussing paper usage and OFM's progress in meeting its sustainability goals were sent to employees during the last year by several sustainability team members. The agency's sustainability plan is on its website.

Alan Durning from Northwest Environment Watch spoke at the 2004 OFM Forum. His presentation on the Cascadia Scorecard provided staff with good information on sustainability issues. However, communication continues to be one of the major challenges in the agency's sustainability efforts.

SECTION IV: STATEWIDE PERFORMANCE MEASURES

Baseline Data Report – FY 2005

Agency Vehicle Information (June 04-July 05)

Vehicle Type	Fuel Type	Ownership	Miles Driven/Year	Fuel Efficiency	Fuel Gallons (1)
1997 Dodge Intrepid	Unleaded Gas	Agency purchase	7,465	20 MPG	373
2001 Ford Taurus	Flex Fuel – Gas/Ethanol	Agency purchase	16,101	21 MPG	767
1997 Chevrolet Astro Van	Unleaded Gas	Lease	9,570	19 MPG	504
Personally Owned Vehicles	Various		136,793		6,567
Motor Pool	Flex Fuel – Gas/Ethanol		35,440		1,575
Motor Pool	Hybrids		836	55 MPG	15
Total			206,205		9,801
Average				21 MPG	

(1) Gallons used are based on miles driven multiplied by estimated miles per gallon (MPG) for vehicle.

The OFM director did not seek any exemptions from prohibition on the purchase of four-wheel drive SUVs as required by EO 05-01.

Copy Paper Consumption (June 04-July 05)

Paper Type	Percentage of Recycle	Amount (Reams)	Amount (Pages)
White 8 ½ x 11	30 percent	2,000	1,000,000
White 8 ½ x 11	100 percent	2,950	1,475,000
Colored 8 ½ x 11	30 percent	286	143,000
White 8 ½ x 11, 3-hole	30 percent	0	0
White 8 ½ x 14	30 percent	110	55,000
White 11 x 17	30 percent	15	7,500
Total		5,361	2,680,500

Janitorial Paper

Paper Type	Percentage of Recycle	Amount
Toilet Paper	20 percent	2,160 rolls
Paper Towels	45-65 percent	222,000 towels

OFM is unable to collect complete information on the amount of office paper recycled.

SECTION V: NEW OR UPDATED GOALS AND OBJECTIVES

As well as continuing to work towards objectives established in last year's biennial plan, OFM will be working to incorporating the new requirements of Executive Order 05-01 in its work plan, including:

- Reduce petroleum use 20 percent by 2009 from the 2003 base.
- Reduce the use of office paper by 30 percent based upon 2003 sustainability plans.
- Increase the percentage of EPP paper to 50 percent of total usage.
- Reduce energy purchases by 10 percent from FY 2003 levels.

Additional objectives to work on for the 2006 Biennium:

- Recruiting new members for and convening the agency sustainability team.
- Updating the agency's intranet site on sustainable business practices.
- Ensuring that speakers and activities on sustainability-related issues are included in the agency's annual employee forum, and that the forum itself is conducted in a manner consistent with principles of sustainability.
- Examining options to reduce energy usage by desktop computers and monitors.
- Promoting the use of hybrid vehicles and the state motor pool to reduce fuel usage.